Attorney Docket No. 25491-025

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
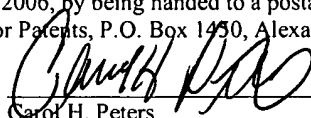
Applicant: Golden
Serial No.:   09/541,197
Filed: April 3, 2000
For: SYSTEM AND METHOD FOR PROVIDING SECURE
                  RETIREMENT BENEFITS VIA A CONVERSION PROCESS

Examiner: Siegfried E. Chencinski
Art Unit: 3628

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450
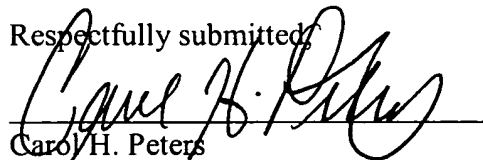
PRE-APPEAL BRIEF REQUEST FOR REVIEW

Sir:

Applicant respectfully requests review of the final rejection dated February 28, 2006 received in the above-identified application. No amendments are being filed with this Request. This Request is being filed with a Notice of Appeal.

The review is requested for the reasons stated on the attached sheets. The undersigned is the attorney of record in the above-identified application.

The Commissioner is hereby authorized to charge any fees required in connection with this Request to the account of the undersigned, Deposit Account No. 50-0311, referencing Attorney Docket No. 25491-025. A duplicate copy of this notice of appeal is enclosed for this purpose.

Respectfully submitted,

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Date: __August 28, 2006__

TRA 2082346v.1

I. Requirements of *Prima Facie* Case of Obviousness Under 35 U.S.C. § 103 Are Not Met

Independent Claims 55 and 80 have been finally rejected under 35 U.S.C. § 103(a) as being unpatentable over Tarbox (U.S. Patent No. 6,154,732) in view of the knowledge of the ordinary practitioner at the time of Applicant's invention. (See Office Action dated 02/28/06, p. 3-6). Applicant respectfully submits the requirements of a prima facie case of obviousness have not been met. Specifically, the combination of prior art the Examiner cites: (A) fails to teach or suggest all limitations of the rejected Claims, and (B) including "knowledge of the ordinary practitioner", fails to provide a proper suggestion or motivation for combining the prior art to achieve the claimed invention.

A. The Cited Combination of Prior Art Fails To Teach or Suggest All Claim Limitations

Applicant respectfully submits that the cited combination of Tarbox in view of the knowledge of the ordinary practitioner at the time of Applicant's invention fails to meet one of the requirements to establish a *prima facie* case of obviousness under § 103 because the cited combination does not teach or ·suggest all the claim limitations, including at least the limitations of (d), (e), and (f), as recited in Claim 55, and at the least the limitations of (b), (c), and (d), as recited in Claim 80. (See Applicant's Response dated 10/13/05, p. 2 and 10, respectively).

The cited combination does not teach or suggest limitation (d) of Claim 55 and limitation of (b) of Claim 80 directed to a controller being adapted to: "calculate as of a current date: (i) a *total current value* representative of a *sum* of a *current value* of the at least first guaranteed life-dependent retirement benefit purchased to date based on an actuarial valuation of the benefit and a *market value* of the asset vehicle, and (ii) a *target benefit payment value* representative of a benefit payment available to the person if the allocation component immediately accelerates the allocation period . . .". In addition, the cited combination does not teach or suggest limitations (e) and (f) of Claim 55 and limitations (c) and (d) of Claim 80 directed to the controller calculating the *total current value* and the *target benefit payment value* for each future interval of an allocation period to provide future *total current values* and future *target benefit payment values*, and recalculating such values based upon at least one change to the benefit program. (See Applicant's Response dated 10/11/05, p. 21-27).

The claimed *total current value* and *target benefit payment value* as of a current date and each of future intervals of an allocation period are illustrated in Fig. 5a of the present application, depicting an allocation period during which one or more retirement benefits are gradually purchased with assets of an IRA account. (See application specification, Fig. 5a). The displayed allocation period can include either an allocation period for an existing benefit program a client has set-up, or a hypothetical program a client is considering before modifying an existing program or setting up a new program. Reference numerals

510 and 512 of Fig. 5a represent total current values and target benefit payment values, respectively, for intervals of the allocation period. The *total current values* and *target benefit payment values* provide assessments to a client of the risks associated with the one or more guaranteed life-dependent retirement benefits the client has selected/will modify or select and the predicted statistical outcome of the selection(s) or modification(s) that enable the client to gauge whether their resulting benefit income will be sufficient in the future. (See Applicant's Response dated 10/13/05, p. 17-20).

Further, the *total current value* represents a <u>sum</u> of a *market value* of the asset vehicle and *a current value* of the <u>at least one</u> guaranteed life-dependent retirement benefit purchased to date based upon an actuarial valuation of the benefit, wherein a *current value* includes a total of individual actuarial values of <u>each</u> benefit purchased to date where more than one benefit is selected. An actuarial valuation of each benefit purchased to date is separately determined for each interval of the allocation period such that the *current values* of a benefit program at each interval correspond to the total of actuarial valuations of individual benefits. (See application specification Fig. 5a; p. 17, lines 1-6; p. 29, lines 1-7; p. 42, lines 6-16; and p. 45-46, Table I). Prior art systems and methods do not typically perform an actuarial determination of individual guaranteed life-time retirement benefits a client has selected, but, rather, perform such valuations at a group level, such as, for instance, of a defined benefit pension fund. (See application specification p. 17, lines 1-6)(See also Applicant's Response dated 10/13/05, p. 19-20).

Limitation (f) of Claim 55 and limitation (d) of Claim 80 recite the controller recalculates *total current values* and *target benefit payment values* for each interval of the allocation period based upon at least one change to the benefit program thereby permitting a client to simulate selection(s) or change(s) or modification(s) of the benefit program and the resulting benefit income before the selection, change or modification is actually made. The client may subsequently modify the benefit program to alter the allocation period and/or the benefit income to provide the client with flexibility with respect to satisfying changing income needs. (See Applicant's response dated 10/13/05, p. 20)(See also application specification, p. 39, line 9 thru p. 42, line 16).

The Examiner admits Tarbox does not explicitly disclose "recalculations as they apply to the advisor's service activities to the client" and relies upon the knowledge of the ordinary practitioner to conclude the limitations of (d), (e), and (f) of Claim 55, and (b), (c), and (d) of Claim 80 are obvious. The Examiner refers to the ordinary practitioner's knowledge of "calculating and recalculating current values and future values . . . including actuarial valuation of the benefit and a market value of the asset vehicle" for these claim limitations. (See Office Action dated 02/28/06, p. 4, last para.; and p. 5-6, re: limitations (b) (c) and (d)). While the cited combination may disclose calculating and recalculating current and

future values of retirement benefits, the combination does not explicitly, implicitly, or inherently disclose a controller adapted to calculate and recalculate a *total current value* and a *target benefit payment* for a current date and future intervals of an allocation period, as required by Claims 55 and 80 (and as shown in Fig. 5a of the application specification). As noted by the Examiner's determination excerpted above, the Examiner admits Tarbox fails to disclose the claimed *total current value* and *target benefit payment value* and relies upon a statement of obviousness in view of the knowledge of the ordinary practitioner to make up for the deficiencies of Tarbox. (See Office Action dated 02/28/06, p. 4 and p. 5, re: limitations (b) (c) and (d)).

Further in this regard, the concepts of "actuarial valuation of the benefit" and "market value of the asset vehicle" within the knowledge of the ordinary practitioner, that the Examiner relies upon in concluding obviousness of the Claims, are not sufficient teachings or suggestions of the above-noted claim limitations directed to calculating and recalculating: "a *total current value representative of a* <u>sum</u> *of a* <u>current value</u> *of the at least first guaranteed, life-dependent retirement benefit purchased to date based on an actuarial valuation of the benefit* and a <u>market value</u> *of the asset vehicle*" for a current date and each of future intervals of an allocation period. As discussed above, the claim language teaches that an actuarial valuation of each of the individual retirement benefits purchased to date is performed and a total of such individual actuarial valuations or *current value* is combined with a *market value* of the asset vehicle to calculate a *total current value* of the benefit program. (See application specification Fig. 5a; p. 17, lines 1-6; p. 29, lines 1-7; p. 42, lines 6-16; and p. 45-46, Table I)(See also Applicant's Response dated 10/13/05, p. 19-20).

The Examiner's application of such concepts to satisfy the deficiencies of Tarbox does not clearly identify the differences between the claimed invention and the cited combination of prior art which is one of the underlying factual inquiries required for a conclusion of obviousness under 35 U.S.C. § 103. *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d. 1120, 1124 (Fed.Cir.2000). Rather, the Examiner's approach appears to inappropriately perceive the above-noted claim limitations broadly as an "idea" or "conception" that is old in view of the cited combination of prior art, and ignores the real differences between the claimed invention and the cited combination. *Custom Accessories, Inc. v. Jeffery-Allan Industries, Inc.*, 807 F.2d 955, 962 (Fed.Cir. 1986)(holding district court erred in concluding idea or conception of anchoring means including clip with pin for attaching splash guard assembly taught or suggested claim limitation of attaching splash guard assembly to clip via bolt/thread combination). Simply because "actuarial valuations of retirement benefits" and "market values of asset vehicles" are known concepts that are performed by those of ordinary skill is not a teaching or suggestion that one of

ordinary skill would take Tarbox and modify it to achieve the limitations required by Claims 55 and 80 directed to calculating and recalculating the *total current value* and the *target benefit payment value* for a current date and each of future intervals of an allocation period, and providing such *total current values* and *target benefit payment values* to a client for consideration. Applicant respectfully submits this discussion also applies to the Examiner's conclusion other limitations of Claims 55 and 80 directed to calculating and recalculating the *target benefit payment value*, and gradually purchasing portions of a benefit through allocations of assets are obvious.

Thus, Applicant respectfully submits that the cited combination fails to meet the criterion the cited prior art teaches or suggest all the claim limitations as required for establishing a *prima facie* case of obviousness. Although Claim 78 is not identified in the Action, Applicant respectfully refers to the discussion above with respect to nonobviousness of independent Claim 78.

B.   Examiner Has Not Shown Proper Motivation For Modifying Tarbox

To establish a *prima facie* case of obviousness under § 103, the suggestion or motivation to combine prior art references must be shown. Possible sources for such suggestion or motivation, as identified by the Federal Circuit, include: the nature of the problem to be solved, the teachings of the prior art, and *the knowledge of persons of ordinary skill in the art. In re Rouffert*, 149 F.3d 1350, 1357-58 (Fed.Cir. 1998)(emphasis added). The knowledge of the ordinary practitioner, or the level of skill in the art, does not act as a bridge over gaps in a presentation of obviousness, but supplies a guarantee of objectivity in the process of determining obviousness. *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718 (Fed.Cir.1991). In addition, the skill in the art component will "rarely" operate to supply missing knowledge or prior art to reach an obviousness judgment. *See W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed.Cir. 1983). Furthermore, mere invocation of the level of skill in the art to provide the necessary motivation without an explanation of what specific understanding or technological principle within the knowledge of one of ordinary skill does not suffice to supply the motivation to combine elements of prior art references. *In re Rouffert*, 149 F.3d at 1357. Applicants respectfully submit the suggestion or motivation for at least those limitations discussed above is not provided either by Tarbox or the knowledge of the ordinary practitioner, although the Examiner indicates otherwise in the Action.

The Examiner employs the knowledge of the ordinary practitioner to satisfy the deficiencies of Tarbox. For instance, the Examiner relies upon the knowledge of the ordinary practitioner with respect to such concepts as determining actuarial valuations of benefits and market values of assets to provide the suggestion or motivation to modify Tarbox to provide the *total current values* and the *target benefit*

payment values, as required by limitations (d), (e), and (f) of Claim 55, and (b), (c), and (d) of Claim 80. (See Office Action dated 02/28/06, p. 5, last para. to p. 6, 1st and 2nd para.). The Examiner is unable, however, to point to any *specific teaching or reference* that is or would be within such knowledge of the ordinary practitioner for modifying Tarbox to produce the *total current value* and the *target benefit payment values* for intervals of an allocation period and to present such values to a client, as required by the Claims. Similarly, no specific teaching or reference to simulation or recalculation of such values, as required by the Claims, is identified. Rather, the Examiner relies on the above-noted concepts of actuarial valuations of benefits and market values of assets known to the ordinary practitioner, and the practitioner's desire to provide investment advice to a client, to supply the suggestion or motivation to modify Tarbox to achieve the noted limitations of Claims 55 and 80. (See Office Action dated 02/28/06, p. 5, last para. to p. 6, 1st and 2nd para.).

Applicant respectfully submits that merely identifying the ordinary practitioner's knowledge of ·actuarial valuations of benefits and market values of asset vehicles is an insufficient explanation of a specific understanding or principle of the ordinary practitioner that is required to provide the suggestion or motivation to modify Tarbox to achieve such limitations. In particular, the ordinary practitioner's general knowledge of actuarial valuations of benefits does not provide the suggestion or motivation to modify Tarbox to calculate the claimed *total current value* representative of a <u>sum</u> of a *market value* of an asset vehicle, and a *current value* of each of the first guaranteed life-dependent benefits purchased to date based on an actuarial valuation of the benefit. In particular, the claimed *current value* includes a total or sum of actuarial valuations of each individual benefit a client has selected for their benefit program which represents a "personalized" *current value* and is different from an actuarial valuation of a benefit at a group level, as discussed above. (See Applicant's Response dated 10/13/05, p. 19-20; see also application specification Fig. 5a; p. 17, line 106; p. 29, lines 1-17; p. 42, lines 6-16; and p. 45-46, Table I). The claimed *total current value* therefore represents asset *market value* and benefit *current value*, wherein *current value* is a total actuarial valuation of a specific benefit program for a specific client and not merely of a certain benefit for several clients.

Thus, Applicant respectfully submits that neither Tarbox nor the knowledge of the ordinary practitioner cited by the Examiner provides the suggestion or motivation to modify Tarbox to achieve the claim limitations discussed above, and therefore does not meet such requirement for establishing a *prima facie* case of obviousness. Although Claim 78 is not identified in the Action, Applicant respectfully refers to the discussion above with respect to nonobviousness of independent Claim 78.